

Message Text

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70

ACTION NEA-10

INFO OCT-01 EUR-12 EA-07 ISO-00 CIAE-00 COME-00 EB-07

INR-07 LAB-04 NSAE-00 SIL-01 DODE-00 PM-04 H-02 L-03

NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 FEA-01 SAM-01

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FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC 5230

INFO AMEMBASSY ABU DHABI

AMEMBASSY ANKARA

USINT BAGHDAD

AMCONSUL DHAHRAN

AMEMBASSY DOHA

AMEMBASSY ISLAMABAD

AMEMBASSY JIDDA

AMEMBASSY MANAMA

AMEMBASSY MANILA

AMEMBASSY MUSCAT

AMEMBASSY NEW DELHI

USMISSION OECD PARIS

AMEMBASSY ROME

AMEMBASSY SEOUL

AMEMBASSY TAIPEI

AMEMBASSY TEHRAN

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DEPT ALSO FOR NEA/RA - MATTSON

E.O. 11652: N/A

TAGS: ELAB, KU, XF, XD, XE, XG

SUBJ: FOREIGN WORKER TRENDS

1. WITH GROWING ATTENTION BEING GIVEN TO FLOWS OF FOREIGN

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WORKERS TO GULF REGION, FOLLOWING ITEMS LEARNED IN PAST FEW

DAYS MAY BE OF INTEREST TO DEPARTMENT AND ADDRESSEES. IN CONVERSATION WITH SENIOR AMERICAN KUWAIT NATIONAL PETROLEUM COMPANY (KNPC) OFFICIAL, EMBOFF WAS TOLD THAT LABOR SUPPLY PROBLEMS ARE NOT QUITE AS BAD AS THEY SEEMED A FEW MONTHS AGO. HE SAID THAT KNPC AND ITS PRIME CONTRACTOR FOSTER-WHEELER, IN CONNECTION WITH \$100 MILLION REFINERY IMPROVEMENT PROJECT NOW GETTING UNDERWAY, HAVE BEEN ABLE TO FIND ADEQUATE CONSTRUCTION LABOR WITHIN BUDGET. SIMILARLY, KNPC OFFICIAL CLAIMED, FLOUR RECENTLY MADE MAJOR STUDY OF SOUTHERN EUROPE/MIDDLE EAST/SOUTH ASIA LABOR MARKET AND FOUND SOME 47,000 WORKERS AVAILABLE. EMBOFF WAS TOLD THAT FLOUR WILL BE ABLE TO SATISFY ITS REQUIREMENT FOR 19,000 WORKERS IN SAUDI ARABIA WITHIN ITS BUDGET. BIGGEST PROBLEM IS RED TAPE INVOLVED IN GETTING PASSPORTS, VISAS, ETC. FOR SUCH LARGE NUMBERS OF WORKERS.

2. APPARENTLY SOUTH ASIA WILL REMAIN PRIMARY SOURCE OF NEW FOREIGN LABOR ON LARGE PROJECTS IN KUWAIT, ACCORDING TO KNPC OFFICIAL. HE SAID THAT SOUTH ASIANS PREFER KUWAIT TO OTHER NEARBY COUNTRIES WHERE THEIR TREATMENT IS WORSE THAN HERE. HE ADDED THAT WITH RESPECT TO FOSTER-WHEELER PROJECT ONE-THIRD WILL BE LOCALLY AVAILABLE ARABS, ONE-THIRD TURKS AND ONE-THIRD SOUTH ASIANS. THIS FIRST SPECIFIC INSTANCE WE HAVE HEARD OF RELATIVELY LARGE NUMBER OF TURKISH WORKERS BEING BROUGHT INTO KUWAIT. MOREOVER, KNPC SOURCE SAID THAT FLUOR STUDY REVEALED POSSIBILITY OF ATTRACTING ITALIAN WORKERS TO REGION.

3. THERE NOW DEFINITE TREND TO SEEK WORKERS IN FAR EAST BEYOND INDIA. SOUTH KOREANS HAVE BEEN PARTICULARLY ADEPT AT ASSURING PROVISION OF (KOREAN) LABOR ON LARGE CONSTRUCTION PROJECTS ON WHICH THEY HAVE BID, AND THIS CLEARLY IMPRESSES KUWAITIS. WE KNOW OF ONE LARGE LOCALLY BASED PRIVATE COMPANY WHICH IS VERY ACTIVE IN SAUDI ARABIA WHICH HAS ESTABLISHED AN OFFICE IN MANILA TO TAP PHILIPPINE LABOR MARKET. ON OTHER HAND, HONG KONG BUSED US BUSINESSMAN RECENTLY TOLD EMBOFF THAT SOME EAST ASIAN WORKERS ARE GETTING SKEPTICAL OF BUSINESSMEN WHO PROMISE GOOD JOBS IN MIDDLE EAST BUT WHO THEN FAIL TO DELIVER.

4. COMMENT: COMBINATION OF BOOM IN GULF REGION AND RECESSION IN EUROPE APPARENTLY BEGINNING TO AFFECT MOVEMENT OF LABOR LIMITED OFFICIAL USE

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TOWARD THIS REGION. IT WILL BE INTERESTING TO SEE HOW WELL TURKS OR OTHERS FROM WEST OF HERE ADJUST COMPARED TO ASIAN WORKERS. AS INDICATED ABOVE, ASIAN COMPANIES, PARTICULARLY FROM KOREA, ARE ABLE TO PARLAY ABILITY TO PROVIDE WORKERS INTO LUCRATIVE COMMERCIAL CONTRACTS. BELIEVE SUBSTANCE PARAS 1-3 CAN BE MADE GENERALLY AVAILABLE TO OTHERS PROVIDED IDENTITY OF INDIVIDUALS OR COMPANIES MENTIONED IN CABLE NOT DIVULGED.

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